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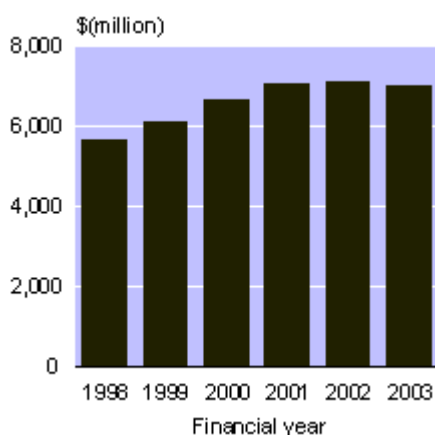
Information Technology Survey: 2003 financial year

Highlights

- Sales of information technology (IT) goods and services (excluding communication services) decreased by 1 percent from the 2002 financial year to the 2003 financial year.
- Sales of IT goods and services (excluding communication services) made to New Zealand end-users increased 2 percent from the 2002 financial year to the 2003 financial year.
- Total export sales of IT (excluding communication services) decreased 30 percent from the 2002 financial year to the 2003 financial year.

Total IT Sales

Excluding communication services



Brian Pink
Government Statistician

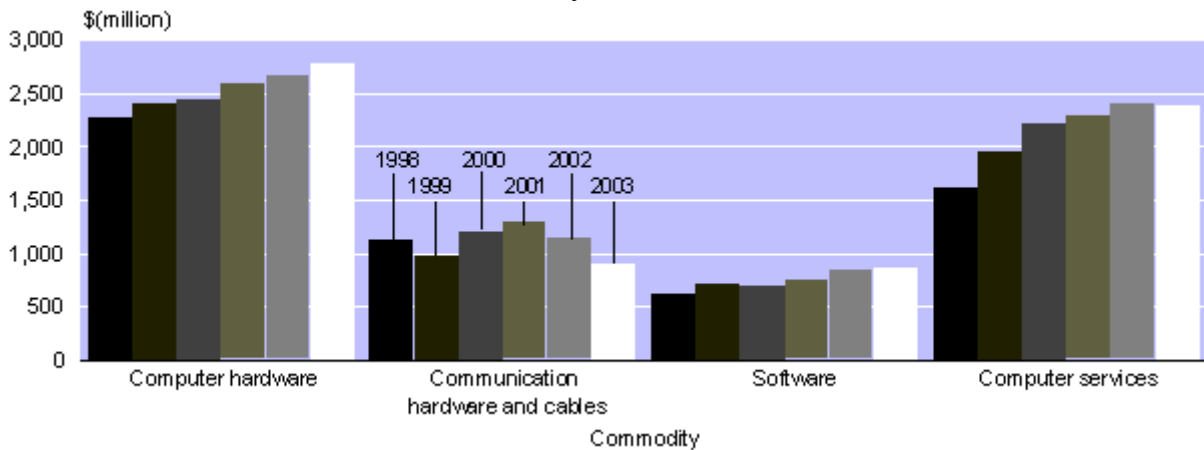
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Commentary

Total information technology sales

Results from the 2003 Information Technology Survey show that the total value of sales of information technology (IT) commodities (excluding communication services) for the 2003 financial year was estimated at \$6,975 million. This is 1 percent lower than the result for the 2002 financial year. This decrease was mostly due to lower sales of communication hardware and cables, down \$250 million (22 percent). Partly offsetting this decrease was a 4 percent or \$111 million increase in sales of computer hardware (including peripheral equipment).

IT Sales by Commodity
1998-2003 financial
years

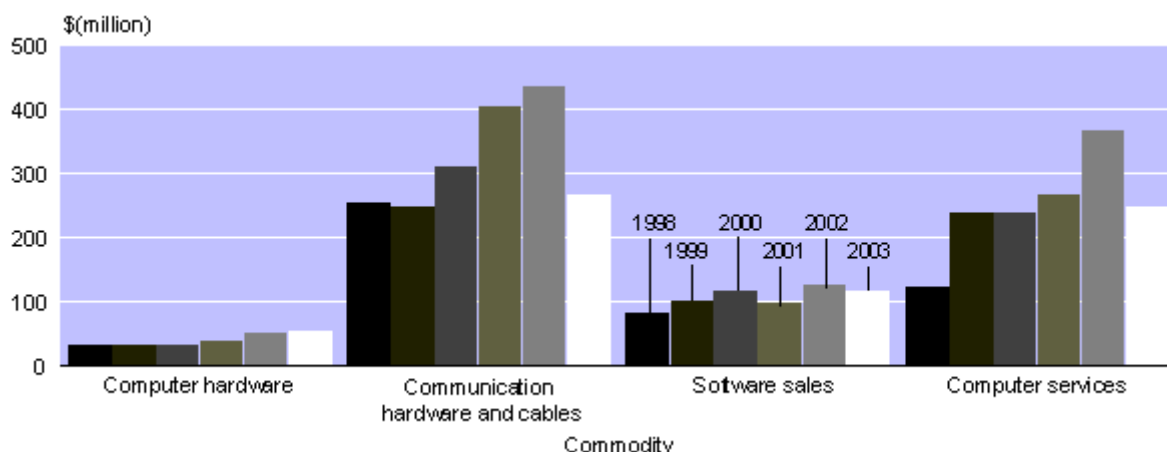


IT exports

The total value of export sales of IT goods and services (excluding communication services) during the 2003 financial year was \$677 million. This is a decrease of \$291 million (30 percent), when compared with the 2002 financial year.

Between the 2002 and 2003 financial years, exports of communication hardware and cables fell by 39 percent to \$265 million, while exports of computer services fell by \$119 million (33 percent).

IT Exports by Commodity 1998-2003 financial years



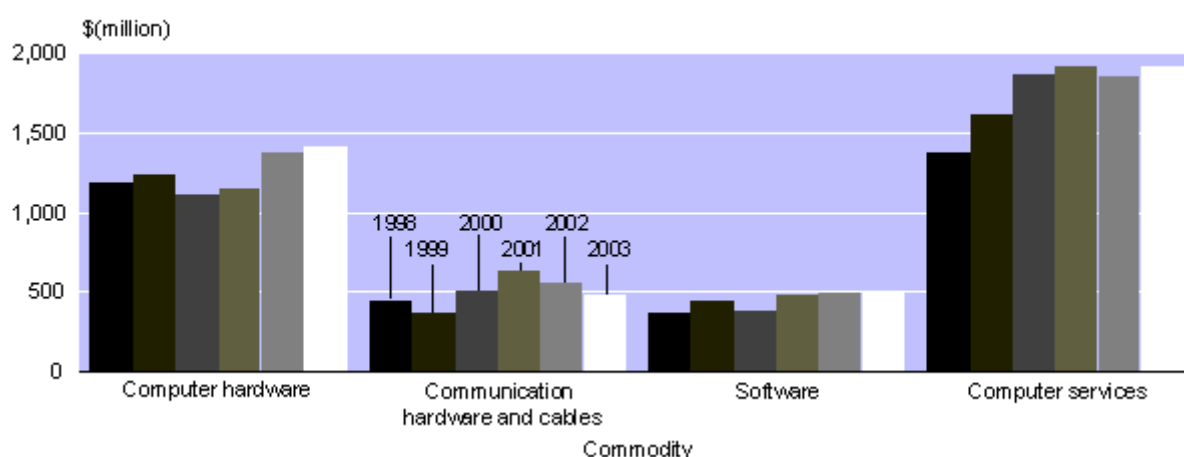
Sales to New Zealand end-users

For the 2003 financial year, the total value of sales of IT goods and services to New Zealand end-users (excluding on-selling activities and communication services) is estimated at \$4,367 million, an increase of \$92 million (2 percent) from the 2002 financial year.

Sales of computer services rose 3 percent in the 2003 financial year to reach \$1,896 million, while sales of peripheral equipment rose \$52 million (14 percent).

These increases were partly offset by a 15 percent or \$79 million decrease in sales of communication hardware and cables to New Zealand end-users

IT Sales to New Zealand End-users by Commodity 1998-2003 financial years



Sales to other New Zealand customers

Sales to other New Zealand customers are sales made to businesses that on-sell the goods or services (including sales to retail or wholesaling outlets). Total IT sales (excluding communication services) to other New Zealand customers increased 7 percent from the 2002 financial year, to reach \$1,932 million in the 2003 financial year.

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Technical notes

These statistics are drawn from the 2003 Information Technology Survey. The objectives of this survey are to provide information on the total income, export income and the domestic income from sales of information technology (IT) in New Zealand.

Reference period

The reference period for the survey was the 2002–2003 accounting year. For enterprises with balance dates falling between 1 January and 30 September, this is financial data for the year ending 2003. For enterprises with balance dates falling between 1 October and 31 December, this is financial data for the year ending 2002.

Population

The target population for this survey is all Kind-of-Activity Units with more than two full-time equivalent persons (FTEs) engaged in IT activity in New Zealand. The population for the 2003 Information Technology Survey contained 1,623 enterprises.

All units that had more than two FTEs, and were classified on the Statistics New Zealand Business Frame to the following ANZSIC codes, are included in the survey.

F461300 Computer Wholesaling

Units mainly engaged in the wholesaling of computers or computer peripheral equipment.

J712000 Telecommunication Services

Units mainly engaged in providing telecommunication services to the public by wire, cable or radio.

L783100 Data Processing Services

Units mainly engaged in providing data processing services. Also included are units mainly engaged in providing time-sharing services.

L783200 Information Storage and Retrieval Services

Units mainly engaged in providing information storage and retrieval services (other than library and bibliographic services).

L783300 Computer Maintenance Services

Units mainly engaged in providing computer maintenance or repair services.

L783400 Computer Consultancy Services

Units mainly engaged in providing computer consultancy services, computer systems analysis or computer programming services.

In addition, units that are not classified on the Business Frame to any of the above ANZSIC codes, but who are members of the Trade New Zealand Telecommunications Joint Action Group or the Information Technology Association of New Zealand (ITANZ) and have more than two FTEs, are included.

Any units known to the survey sponsors that are significant participants in the IT industry outside the above sources and who are not classified on the Business Frame to any of the above ANZSIC codes and who have more than two FTEs, are also included.

Response rate

A target response rate of 75 percent was specified in terms of the number of Kind-of-Activity Units from the survey population. Special procedures were put in place to ensure a 95 percent response from the 100 largest units for the survey population, as defined by total IT sales from the 2002 Information Technology Survey.

A response rate of 78 percent by count was achieved and 96 of the top 100 units responded.

Non-sampling error

Non-sampling error occurs for reasons such as respondent error, frame quality and errors in processing. While every effort is made to minimise these types of error, they may still occur. It is not possible to quantify their effect.

Statistics New Zealand has used standard procedures in attempting to control non-sample error. This includes such things as pilot testing of questions and survey quality control procedures.

The 2002 data for sales of training and education in IT has been suppressed due to quality concerns.

Analysis of results

The survey results have been compared with annual reports, trade data and other indicators published by Statistics New Zealand. Where the survey results differed, more detailed study of the data was made. In some cases, exact comparisons are not possible, due to differences in timing or definition of commodities.

Confidentiality

Data published from the Information Technology Survey must conform to the provisions of the Statistics Act 1975, which requires that all statistical information published by Statistics New Zealand shall be arranged in such a manner as to prevent any particulars belonging to any respondent from being identifiable. Cell suppression has been used to prevent the disclosure of sensitive information.

Concepts and terms

ANZSIC

The Australian and New Zealand Standard Industrial Classification (ANZSIC).

Business Frame

A register of all economically significant businesses operating in New Zealand, maintained by Statistics New Zealand from which the survey population is drawn.

Enterprise

A single business entity operating in New Zealand either as a legally constituted body, such as a company, trust, local or central government trading organisation, incorporated society, or self-employed individual.

Full-time equivalent (FTE)

The number of full-time employees plus half the number of part-time employees. A full-time employee is defined as someone who works 30 hours a week or more. A part-time employee is defined as someone who works less than 30 hours a week

Kind-of-Activity Unit

A sub-division of an enterprise that consists of one or more geographic units that are engaged in a similar activity and for which a single set of accounting records is available.

Commodity definitions

Computer hardware

Comprises complete computer systems or major upgrades. Excludes peripherals when sold separately. Includes items below, but is not limited to these.

- system processors or central processing units (with any associated power supplies and cooling equipment)
- storage sub-systems
- printer sub-systems
- front-end communication processors
- extended channels used for control, calculation and communication.

Single-user systems

Includes general use computers intended primarily for a single user in an office or home.

Multi-user systems

Primarily intended to service multiple users simultaneously, including dedicated file servers, minicomputers, mainframes and super computers.

Peripheral computer equipment

Includes any equipment distinct from the central processing unit that may provide the system with outside communication or additional facilities when sold separately to the peripherals in computer hardware above. Examples include modems, screens, mice, scanners, disk drives, tape drives, tape silos, CD-ROM drives, CD writers, printers, EFT-POS terminals, banking devices, betting terminals, add-on boards and blank media (including diskettes, tapes and toner cartridges)

Communications hardware

Includes switching equipment, transmission equipment, customer equipment (fixed or mobile) and satellite and any other radio communications equipment (not including household broadcast radio receivers).

Communication cables

Assemblies of insulated conductors sheathed in insulation, which are used for the transmission of telecommunications. Examples include coaxial, twisted pair copper and fibre optic.

Software sales

Includes programs, procedures, routines and any documentation associated with the operation of a computer system. Includes all software available for sale to more than one customer. Excludes software specifically written for a single customer.

Computer services

Any or all of the following when undertaken for specific customers:

- systems analysis, design and programming
- system integration
- software maintenance
- facilities management
- data entry, processing and time-sharing
- information network and database services
- hardware and systems servicing and repairs
- installation and cabling services
- computer-related consultancy not covered by the above.

Training and education

Includes any IT training and education.

Communication services

Includes telecommunications carrier services (eg, fixed and mobile network access, local and long distance telephony and data), value added services (eg, packet switching) and network management services, including Internet access

Sales

Sales in New Zealand dollars for each IT category.

Exports

Excludes goods sold to other New Zealand businesses who will export the goods at a later stage.

Sales to New Zealand end-users

Sales to those purchasers who buy goods for their own use, rather than on-selling.

Sales to other New Zealand customers

Sales not classed as exports or sales to New Zealand end-users. This category includes sales to businesses that on-sell the IT goods or services.

More information

For more information, follow the [link](#) from the Technical notes of this release on the Statistics New Zealand website.

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Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics New Zealand. Statistics New Zealand accepts no responsibility for any such delays.

Tables

The following tables can be downloaded from the Statistics New Zealand website in Excel 97 format. If you do not have access to Excel 97 or higher, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

List of tables

1. Information technology survey, sales of IT commodities
2. Information technology survey, sales of IT commodities - change from previous year